

MONTANA LEGISLATIVE HISTORY

Chapter 317 1982

Bill H 66 S _____ Original bill & history C

H. Committee on Business + Labor

Hearing Date(s) Feb 19 ✓ C

Feb 20 ✓ C

_____ C

_____ C

Date Out Feb 20 ✓ C

S. Committee on Business + Industry

Hearing Date(s) Mar 16 ✓ C

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_____ C

Mar 16 ✓ C

Did this bill originate in an interim committee? Yes No

Committee _____

Report _____

HOUSE FINAL STATUS

1/14	COMMITTEE REPORT--BILL PASSED AS AMENDED		
1/16	2ND READING PASSED	94	5
1/17	3RD READING PASSED	90	7

TRANSMITTED TO SENATE

1/21	REFERRED TO FISH & GAME		
3/05	HEARING		
3/06	COMMITTEE REPORT--BILL CONCURRED AS AMENDED		
3/10	2ND READING CONCURRED	50	0
3/12	3RD READING CONCURRED	48	2

RETURNED TO HOUSE WITH AMENDMENTS

3/16	2ND READING AMENDMENTS CONCURRED	80	13
3/17	3RD READING AMENDMENTS CONCURRED	85	11
3/19	SIGNED BY SPEAKER		
3/20	SIGNED BY PRESIDENT		

3/21	TRANSMITTED TO GOVERNOR		
3/25	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 210	EFFECTIVE DATE:	3/01/88

HB 65 INTRODUCED BY PECK
SERVING OUT TRAFFIC FINES AT \$10 PER DAY

1/05	INTRODUCED		
1/05	REFERRED TO HIGHWAYS & TRANSPORTATION		
1/13	HEARING		
1/13	COMMITTEE REPORT--BILL PASSED		
1/15	2ND READING PASSED	95	2
1/16	3RD READING PASSED	93	2

TRANSMITTED TO SENATE

1/21	REFERRED TO JUDICIARY		
3/04	HEARING		
3/05	COMMITTEE REPORT--BILL CONCURRED		
3/09	2ND READING CONCURRED	50	0
3/11	3RD READING CONCURRED	50	0

RETURNED TO HOUSE

3/14	SIGNED BY SPEAKER		
3/14	SIGNED BY PRESIDENT		

3/16	TRANSMITTED TO GOVERNOR		
3/19	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 128	EFFECTIVE DATE:	10/01/87

HB 66 INTRODUCED BY PAVLOVICH
LICENSING MANUFACTURERS AND DISTRIBUTORS OF VIDEO
POKER MACHINES
BY REQUEST OF DEPARTMENT OF REVENUE

1/05	INTRODUCED		
1/05	REFERRED TO BUSINESS & LABOR		
1/05	FISCAL NOTE REQUESTED		
1/13	FISCAL NOTE RECEIVED		
2/19	HEARING		
2/20	COMMITTEE REPORT--BILL PASSED AS AMENDED		
2/23	2ND READING PASSED AS AMENDED	95	2
2/25	3RD READING PASSED	92	3

TRANSMITTED TO SENATE

3/02	REFERRED TO BUSINESS & INDUSTRY		
3/16	HEARING		
3/17	COMMITTEE REPORT--BILL CONCURRED		

HOUSE FINAL STATUS

3/20	2ND READING CONCURRED	49	0
3/23	3RD READING CONCURRED	47	1

RETURNED TO HOUSE
 3/26 SIGNED BY SPEAKER
 3/27 SIGNED BY PRESIDENT

3/27 TRANSMITTED TO GOVERNOR
 4/01 SIGNED BY GOVERNOR

CHAPTER NUMBER 317
 SECTIONS 8, 9, 11 -- EFFECTIVE DATE: 4/01/87
 SECTIONS 1-7, 10 -- EFFECTIVE DATE: 7/01/87

HB 67 INTRODUCED BY PAVLOVICH
 GENERALLY REVISE VIDEO MACHINE CONTROL ACT OF 1985
 BY REQUEST OF DEPARTMENT OF REVENUE

1/05	INTRODUCED		
1/05	REFERRED TO BUSINESS & LABOR		
1/23	HEARING		
1/28	COMMITTEE REPORT--BILL PASSED AS AMENDED		
1/30	2ND READING PASSED	92	3
2/02	3RD READING PASSED	95	3

TRANSMITTED TO SENATE
 2/03 REFERRED TO BUSINESS & INDUSTRY
 3/04 HEARING
 3/06 COMMITTEE REPORT--BILL CONCURRED AS AMENDED
 3/10 2ND READING CONCURRED 50 0
 3/12 3RD READING CONCURRED 47 3

RETURNED TO HOUSE WITH AMENDMENTS
 3/16 2ND READING AMENDMENTS CONCURRED 93 1
 3/17 3RD READING AMENDMENTS CONCURRED 91 4
 3/19 SIGNED BY SPEAKER
 3/20 SIGNED BY PRESIDENT

3/21 TRANSMITTED TO GOVERNOR
 3/25 SIGNED BY GOVERNOR
 CHAPTER NUMBER 211 EFFECTIVE DATE: 3/25/87

HB 68 INTRODUCED BY KITSELMAN
 REVISING SECURITY PATROLMEN AND INVESTIGATORS LAW

1/05	INTRODUCED		
1/05	REFERRED TO BUSINESS & LABOR		
1/09	HEARING		
1/16	COMMITTEE REPORT--BILL PASSED AS AMENDED		
1/20	2ND READING PASSED	61	35
1/21	3RD READING PASSED	69	30

TRANSMITTED TO SENATE
 1/22 REFERRED TO BUSINESS & INDUSTRY
 1/29 HEARING
 2/11 STATEMENT OF INTENT ATTACHED
 2/11 COMMITTEE REPORT--BILL CONCURRED AS AMENDED
 2/14 2ND READING CONCURRED 49 0
 2/17 3RD READING CONCURRED 50 0

RETURNED TO HOUSE WITH AMENDMENTS
 3/05 2ND READING AMENDMENTS CONCURRED 93 2
 3/06 3RD READING AMENDMENTS CONCURRED 91 2
 3/10 SIGNED BY SPEAKER
 3/10 SIGNED BY PRESIDENT

Chairman Kitselman stated that due to the controversy on the bill, especially with the rule making authority, he would refer it to a subcommittee consisting of Reps. Simon, Grinde, and Brown. He asked that they write a statement of intent to cover some of the rules.

CLOSING

Rep. Harper commented that hazardous waste was not a surface problem but a very complicated one. He said the rules just went into effect the 22nd of September of 1986. He stated the regulations listed provide no on-site inspection unless an accident occurs.

HOUSE BILL NO. 66 - Licensing Manufacturers and Distributors of Video Poker Machines, sponsored by Rep. Bob Pavlovich, House District 70, Butte-Silver Bow. Rep. Pavlovich stated that the bill was at the request of the Department of Revenue and dealt with the manufacturers and distributors of poker machines. He said this bill would impose a \$1,000 license fee on them to operate in the state of Montana and allow the Department to check their equipment to ensure that their requirements are met. He added that this would ensure that the Department would govern the distributors and manufacturers.

PROPONENTS

John Willems, Video Poker Control Bureau, Department of Revenue. Mr. Willems stated he would be available to answer questions.

OPPONENTS

None.

QUESTIONS

Rep. Simon asked what the problem was regarding the manufacture and distribution of the video poker machines. Rep. Pavlovich replied that the problem has been machines that do not meet specifications and there is no recourse from the distributor. He said this bill provides that the Department can require that it meet specifications or the machine can be confiscated.

Rep. Simon asked if video poker machines are manufactured outside the state and brought in and if they needed a license. Rep. Pavlovich responded that they are, and this bill would require that they be licensed.

Rep. Simon asked if the Department would have to inspect the facilities that are out of state. Rep. Pavlovich replied that they would not, but the companies coming into the state would have to contact the Department, and then the Department would inspect the machine at the expense of the company.

Rep. Swysgood asked if the \$1,000 was an additional permit fee. Rep. Pavlovich replied that it was.

HOUSE BILL NO. 796 - Limiting Hours of Play and Numbers of Bingo Machines; Capping License Fees, sponsored by Rep. Jerry Driscoll, House District 92, Billings. Rep. Driscoll stated this was a committee bill that limited the amount of machines any establishment could have to five, and limits the hours of operation from 8:00 a.m. to 2:00 a.m., and allows the local government to do the licensing.

PROPOSERS

None.

OPPOSERS

Tim Clavin, president of a poker machine manufacturer in Helena. Mr. Clavin stated the bill would limit 99 percent of the potential market. He commented that his company has invested their entire asset base in the development of a new Bingo machine in anticipation of a bigger market. He said the employees would be affected if the bill passes, and that the cities and towns already have the authority to determine the number of machines that can be put into play in any given premise.

QUESTIONS

None.

CLOSING

Rep. Driscoll stated that the casinos needed some control of the number of machines and the hours they could operate. He said that some food establishments in Billings were going under because of the casinos.

HOUSE BILL NO. 817 - An Act to Establish Independent Liability Funds for the Protection of Public And Small Businesses in Montana, sponsored by Rep. Driscoll, House District 92, Billings. Rep. Driscoll stated that the bill addresses the problems that small companies have with liability insurance problems.

DAILY ROLL CALL

BUSINESS & LABOR

COMMITTEE

99th LEGISLATIVE SESSION -- 1987

Date February 19, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. LES KITSELMAN, CHAIRMAN	✓		
REP. FRED THOMAS, VICE-CHAIRMAN	✓		
REP. BOB BACHINI	✓		
REP. RAY BRANDEWIE	✓		
REP. JAN BROWN	✓		
REP. BEN COHEN	✓		
REP. JERRY DRISCOLL	✓		
REP. WILLIAM GLASER	✓		
REP. LARRY GRINDE	✓		
REP. STELLA JEAN HANSEN	✓		
REP. TOM JONES	✓		
REP. LLOYD MCCORMICK	✓		
REP. GERALD NISBET	✓		
REP. BOB PAVLOVICH	✓		
REP. BRUCE SIMON	✓		
REP. CLYDE SMITH	✓		
REP. CHARLES SWYSGOOD	✓		
REP. NORM WALLIN	✓		

would really pay the bill. Rep. Smith moved to TABLE. The motion carried 11-7 with 7 opposed.

ACTION ON HOUSE BILL 823

Rep. Driscoll moved DO PASS. The question was called. The motion carried with Reps. Swysgood and Brandewie opposed.

ACTION ON HOUSE BILL 66

Rep. Pavlovich explained the changes made by the Department of Revenue. He said the previous document did not show the changes. Rep. Pavlovich moved DO PASS HB 66. He moved the amendments to replace the old bill with the new bill. He said this would give the authority to the department of video poker machines to find out how many manufacturers and distributors there are in the state. He said the bill includes a \$1,000 licensing fee. He said new machines must be checked and the manufacturer will pay for the checking by the department. The motion carried on the amendments unanimously.

Rep. Glaser said he was concerned that it was too broad. He said the department came up with an amendment on page 1, line 17, after the word "all" to add the word "proprietary". The motion carried unanimously.

Rep. Pavlovich moved DO PASS AS AMENDED. Rep. Simon asked about a licensed manufacturer getting approval and then the machine is not OK. What would the position be of the state. Rep. Pavlovich said the department would ask the manufacturer to remove the machine and fix it.

Rep. Driscoll clarified that the state checks machines to make sure they fit under the law. He said new machines can't be sold here until the department looks at them. If they fit under the law, the machine will be certified.

The question was called. The motion carried with Rep. Simon voting NO.

ACTION ON HOUSE BILL 623

Rep. Pavlovich moved to DO PASS. The motion failed on a 9-9 tie vote.

ACTION ON HOUSE BILL 719

DAILY ROLL CALL

BUSINESS & LABOR

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date February 20, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. LES KITSELMAN, CHAIRMAN	☒		
REP. FRED THOMAS, VICE-CHAIRMAN	☒		
REP. BOB BACHINI	☒		
REP. RAY BRANDEWIE	☒		
REP. JAN BROWN	☒		
REP. BEN COHEN	☒		
REP. JERRY DRISCOLL	☒		
REP. WILLIAM GLASER	☒		
REP. LARRY GRINDE	☒		
REP. STELLA JEAN HANSEN	☒		
REP. TOM JONES	☒		
REP. LLOYD MCCORMICK	☒		
REP. GERALD NISBET	☒		
REP. BOB PAVLOVICH	☒		
REP. BRUCE SIMON	☒		
REP. CLYDE SMITH	☒		
REP. CHARLES SWYSGOOD	☒		
REP. NORM WALLIN	☒		

STANDING COMMITTEE REPORT

February 20

19 87

Mr. Speaker: We, the committee on BUSINESS AND LABOR

report HOUSE BILL NO. 66

☒ do pass
☐ do not pass

☐ be concurred in
☐ be not concurred in

☒ as amended
☐ statement of intent attached

REP. LES KITSELMAN

Chairman

AMENDMENTS AS FOLLOWS

1) Page 1, line 3

Strike: "MANUFACTURERS AND DISTRIBUTORS"
Insert: "MANUFACTURERS-DISTRIBUTORS"

2) Page 1, line 3

Following: "INVESTMENT",
Strike: "OWNING."

3) Page 1, line 17

Following: "all"
Insert: "prospective"

4) Page 1, line 14 through page 1, line 1

Strike: "subsequent (5) in the entire"
Reinsert: "subsequent substitution."

5) Page 1, line 14

Strike: "Manufacturer"
Insert: "Manufacturer-distributor"

6) Page 1, line 13

Following: "proceeds",
Strike: "all"
Insert: "and"

7) Page 1, line 14

Following: "asked"
Insert: "or supplied"

8) Page 1, line 16 through page 1, line 1

Strike: "subsequent (11) in the entire"
Reinsert: "subsequent substitutions"

9) Page 3, line 17

Strike: "Manufacturer or Distributor"
Insert: "Manufacturer-distributor"

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10) Page 3, line 21

Strike: "Manufacturer's or distributor's"
Insert: "Manufacturer-distributor's"

11) Page 3, lines 24 and 25

Following: "and" on line 24

Strike: "and"

Strike: "(a) \$1.500"

Insert: "\$1,000"

12) Page 3, line 1

Strike: "Manufacturer's"

Insert: "Manufacturer-distributor's"

Following: "License"

Strike: "and"

Insert: "."

13) Page 4, lines 2 and 3

Strike: Subsections (b) in its entirety

14) Page 4, lines 2 and 3

Following: "License" on line 3

Strike: "Manufacturer's or Distributor's"

Insert: "Manufacturer-distributor's"

15) Page 4, line 2

Strike: "Manufacturer's and distributor's"

Insert: "Manufacturer-distributor's"

16) Page 4, line 16

Strike: "Security --"

17) Page 4, lines 17 and 18

Following: "and" on line 17

Strike: "Manufacturer's or distributor's"

Insert: "Manufacturer-distributor's"

18) Page 4, line 23

Strike: "Manufacturer or distributor"

Insert: "Manufacturer-distributor"

19) Page 5, line 1 through page 7, line 6

Strike: Subsections (1), (2), (4), (5), and (6) in their
entirety

Reinsert: Subsequent subsection

27

20) Page 7, line 13

Strike: "manufacturer or distributor"

Insert: "manufacturer-distributor"

21) Page 7, lines 17 and 18

Following: "equipment" on line 17

Strike: "manufactured or distributed by the applicant"

Insert: "produced by the manufacturer-distributor"

22) Page 7, line 19

Following: line 19

Insert: "(c) the department may revoke a license for a machine produced by that manufacturer-distributor and owned by a person in the state of Montana, at the time revocation of the manufacturer-distributor's licensure only if, after a reasonable length of time, the machine remains out of compliance with state requirements; and"

Remove: subsequent subsection

23) Page 7, line 19

Strike: "manufacturer or distributor"

Insert: "manufacturer-distributor"

24) Page 7, lines 21 through line 24

Following: "equipment" on line 21

Strike: the remainder of line 21, line 22 and 23 in their entirety, and line 24 through "equipment"

25) Page 7, line 25

Following: "(1)"

Strike: "An"

Insert: "Any association or"

Following: "between"

Strike: the remainder of line 25

Insert: "the manufacturer-distributor"

26) Page 8, lines 3 and 4

Following: "that the" on line 3

Strike: "manufacturer or distributor"

Insert: "manufacturer-distributor"

27) Page 8, line 5

Strike: "manufacturer or distributor"

Insert: "manufacturer-distributor"

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18) Page 8, line 14

Following: "and"

Strikes: "a video draw poker machine licensed"

Inserts: "the licensed video draw poker machine licensed"

19) Page 8, line 13 through page 9, line 1

Strikes: Subsection (a) in its entirety

20) Page 9, line 1

Strikes: "(1)"

21) Page 9, line 3

Following: "and"

Strikes: "reasonable cause to believe"

Insert: ", after a hearing conducted pursuant to the Kansas Administrative Procedure Act, that"

22) Page 9, line 7

Strikes: "(a)"

Insert: "(1)"

Amendments: Subsequent amendments

23) Page 9, line 14

Strikes: "(a)"

Following: "through"

Strikes: "(1) (3)"

Inserts: "(4)"

24) Page 9, lines 15 through 16

Strikes: Subsection (a) in its entirety

25) Page 9, line 21

Following: "and"

Insert: "new"

26) Page 9, line 23

Following: "approve"

Insert: "now"

27) Page 10, line 2

Following: "is"

Strikes: "placed into play or use"

Inserts: "played or used"

28) Page 10, line 5

Strikes: "Manufacturer and distributor"

Inserts: "Manufacturer-distributor"

39) Page 10, line 6
Following: "equipment"
Strike: "are"
Insert: "is"

40) Page 10, lines 7 and 8
Following: "equipped with"
Strike: the remainder of line 7 and line 8 through
"inserted"
Insert: "equipment-direct:bu, is"

41) Page 10, line 9
Following: "is"
Insert: "now"

42) Page 10, lines 13 through 14
Strike: Section 7 in its entirety
Re-number: subsequent sections

43) Page 11, line 13
Following: "section"
Strike: "9"
Insert: "6"

44) Page 11, line 15
Following: "through"
Strike: "18"
Insert: "7"

45) Page 11, line 16
Following: "through"
Strike: "12"
Insert: "7"

46) Page 11, line 17
Following: "through"
Strike: "8"
Insert: "7"

47) Page 11, line 18
Strike: "9"
Insert: "8"
Strike: "10"
Insert: "9"

48) Page 11, line 19
Strike: "9"
Insert: "7"
Strike: "11"
Insert: "10"

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is expressly intended so by the legislature. Frequently, transactions which take place prior to passage of a bill are not affected without a grandfather clause specifically included. If not, a constitutional issue might arise over that acquisition and a specific grandfather clause would be appropriate.

Senator Kolstad asked Mr. MacKenzie to address the same question. Mr. MacKenzie stated that he believed that Mr. Tippy is correct that there is a constitutional issue here. The way the bill is drafted, line 13 says "may not acquire or control" which could be viewed as potentially perspective application of the law.

Senator Kolstad suggested that perhaps a Statement of Intent should be requested for this bill.

Senator Thayer asked Bruce MacKenzie if his opposition to the bill is primarily because it also includes trust companies or is it broader than that. Mr. MacKenzie stated that he is opposed on the trust company basis, but also it ends competition period. There are opportunities available here to expand their financial services and they should not be prohibited from doing so. DAD is an investment banker and they provide a very important means of raising financings for companies in the state of Montana.

Senator McLane asked Mr. Maurer to expand on the Glass/Seagull Act. The Glass/Seagull Act was put in place in 1930's to separate banking from securities houses.

Representative Jones closed by saying that the purpose of this bill is to close the loop holes in the federal law from Bank Holding Companies Act which is currently being used by limited service banks. Congress has been working to close the loop holes but legislation is still pending. Twenty-four other states have passed legislation to close the loop holes, and numerous other states are considering such legislation.

Vice Chairman Ted Neuman took the chair at the request of the Chairman Senator Kolstad.

CONSIDERATION OF HOUSE BILL NO. 66: Representative Bob Pavlovich, House District No. 70, Butte/Silver Bow, is the chief sponsor of HB 66. This bill is an act requiring licenses for manufacturers-distributors of video draw poker machines and associated equipment; imposing annual license fees; establishing qualifications for licensure; providing for investigation, right to hearing, penalties, inspections, and judicial review, and providing an effective date.

Representative Pavlovich stated that this bill amends the video draw poker machine control law to require licensing of

manufacturing-distributors which are companies that both assemble or make and supply poker machines for sale, use or distribution. The annual license fee is \$1,000. The Department of Revenue may also charge a fee for processing the license that may not be more than the cost of processing the application. The department retains the license and processing fee to administer the poker machine law.

The bill also sets out the qualifications for licensure and provides for a hearing under MAPA if an applicant is denied a license. If the department determines an applicant is not suitable for licensure, the department may not approve the machines produced by the applicant. Any contract between a manufacturer-distributor is considered to include a provision for its termination without liability for the licensee if the department determines the manufacturer-distributor is not suitable for licensure. The bill also requires the department to inspect new poker machines.

PROPONENTS:

Gary Bennett representing the Montana Coin Machine Operators Association, stood in support of the bill. He stated that there is no question that licensure is a good idea. He questioned whether or not the \$1,000 license fee should be borne by the industry. That cost should be equal to the service rendered.

OPPONENTS:

There were no opponents appearing on House Bill No. 66.

DISCUSSION ON HOUSE BILL NO. 66: Senator Thayer asked Representative Pavlovich if there were any opponents at the hearing in the House, to which the representative replied that there were "none".

Senator Meyer asked Representative Pavlovich if the license fee would be just for each one that is manufacturing machines in the state. Representative Pavlovich stated that it also applies to distributors. If the person is a manufacturer and also a distributor he would only pay the \$1,000 once.

Senator Boylan asked if this fee means you pay on each machine or is it a one time only. Representative Pavlovich stated that you only pay it one time only to be licensed in the state of Montana.

Senator Boylan asked Mr. John Willems from the Department of Revenue about the \$1,000. Mr. Willems stated that this was dropped from \$1,500 as it was originally in the bill. It is not inconsistent with other states that regulate gaming

manufactures and distributors, in fact, the state of Nevada charges \$3,000 per year for the fee.

Senator Walker asked how many manufacturers we have in Montana. Mr. Willems replied that there is currently have 2 manufacturers and 136 distributors which are licensed.

Senator McLane asked what sort of fee the distributors and manufacturers are paying at this time. He was told by Mr. Willems that at this time they are paying nothing.

Senator Meyer asked if this money is earmarked or does it just sit there and build up. Mr. Willems stated that the fiscal note does not accurately depict what is really happening. Virtually all of the enforcement funds are expended in activities involved in inspecting machines and that type of thing. The department has never been able to acquire the necessary equipment for the testing of the machines and this money will help to handle that problem. All the machines in the state are conditionally approved because the department does not have the necessary equipment to test the machines properly.

Senator Walker asked Representative Pavlovich what he is charged for the machines in his establishment. Representative Pavlovich stated that he pays \$1,500 to the state.

Senator McLane asked of Representative Pavlovich if you own your own machine and the distributor has nothing to do with it, then he would not be involved in this unless he had other machines which he shared with the owner of the establishment. Representative Pavlovich stated that what this bill does is protect the owner of the establishment. If the distributor sells a machine and the state approves it, and something goes wrong with the machine after some time, then the owner of the establishment will call the distributor and he would come and look at the machine and fix it. However, if he did not come to take care of the machine the owner of the establishment could call the department who in turn would contact the distributor to fix the machine.

Senator McLane then asked if each distributor would come under this law. Representative Pavlovich stated "yes" that is the case.

Senator Neuman asked if there has been a problem up to this point. John Willems stated that in the last six weeks there has been approximately five instances. There is no accountability for that part of the industry.

Representative Pavlovich closed by saying that in Silver Bow County their distributors pay a license fee of \$2,500 and

they are willing to pay another \$1,000 to the state. They protected themselves in Silver Bow County.

CONSIDERATION OF HOUSE BILL NO. 586: Representative Bud Gould of House District 61 in Missoula, is the chief sponsor of House Bill No. 586. This bill is an act to modify the State Liquor Division's marketing arrangements for table wine; and providing an effective date.

Representative Gould stated that this bill changes the state liquor division's method of marketing table wine. The price of table wine is computed by different methods depending on whether it is sold at a state operated liquor store or an agency store. The bill also provides that a table wine distributor may sell to a commission agent. The bill will become effective May 1, 1987, if passed.

Representative Gould stated that he personally did not feel that the state should be in the table wine business. There was approximately \$48,000,000 worth of the product were sold in Montana stores in 1986 of that figure \$3,000,000 was in table wines. Twenty-five percent of the shelf space is being taken up with table wines. Distilled spirits, because of the tax on them, generate more money for the state than the table wines. HB 586 is a step in the right direction towards better profits in the liquor industry.

PROPONENTS:

Roger Tippy representing the Beer and Wine Wholesalers of Montana stood in support of HB 586. Eight years ago this committee heard and developed the legislation that put the state back in the wine business after Initiative 80 turned it over to private enterprise. For 8 years, the department has competed with grocery stores and wine distributors for wine sales. The 1979 legislation was enacted with strong support from organized labor. Today after declining sales, stores closing and store conversions, the state system consists of about 40 stores operating with state employees. Mr. Tippy handed out a monthly statistical statement from the Montana Beer and Wine Wholesalers. (EXHIBIT 5) The state only sells about 5% of what the private sector sells.

Mona Jamison, representing the Wine Institute which is an association of wineries on the west coast, stood in support in support of the bill. She urged the committees support in passing this bill.

Gary Blewett, Administrator of the Liquor Division for the State of Montana, rose in support of the bill. He stated that when this bill was in the House he rose in opposition, however, it since has been amended and is more acceptable.

He offered further amendments which would leave the law the way it is.

Senator Walker stated that he had talked with Representative Squires this morning and the first amendment offered by Mr. Hopgood is acceptable to her.

Senator Boylan asked Mr. Hopgood if he would be a proponent of the bill if the committee decided to only accept the first amendments which he offered. Mr. Hopgood stated that he would not be a proponent, if this is the only group of amendments which are accepted.

MOTION: A motion was made by Senator Thayer to accept the first group of amendments submitted by Mr. Hopgood, seconded by Senator Walker. Motion carried.

Senator Kolstad asked the committee to look at the second set of amendments presented by Mr. Hopgood.

Senator Boylan asked Mr. Hopgood if there is any reason for printing the bill if these amendments are accepted. Mr. Hopgood replied that are some other provisions in the bill which deal with maternity benefits and some other minor provisions as well.

Senator Boylan asked if this bill will increase the cost of doing business in the state of Montana. Tanya Ask from the Auditor's Office replied that she did not think the cost of doing insurance business in the state would be increased by this bill.

MOTION: A motion was made by Senator Meyer that the committee give HB 823 as BE CONCURRED IN, AS AMENDED recommendation. Seconded by Senator McLane. All senators present voted "yes" with the exceptions of Senators Boylan and Neuman. Motion carried.

Senator Gage will carry this bill on the floor of the Senate.

EXECUTIVE ACTION ON HOUSE BILL NO. 66: House Bill No. 66 by Representative Bob Pavlovich is an act to license manufacturers and distributors of video poker machines.

MOTION: A motion was made by Senator Thayer and seconded by Senator Meyer that House Bill No. 66, BE CONCURRED IN. Motion carried with all the senators present voting "yes" with the exception of Senator Boylan who voted "no".

Senator Lynch will be contacted to carry this bill on the floor of the Senate.

ROLL CALL

Business & Industry

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 3/16/87

NAME	PRESENT	ABSENT	EXCUSED
ALLEN C. KOLSTAD, CHAIRMAN	✓		
TED NEUMAN, VICE CHAIRMAN	✓		
PAUL BOYLAN	✓		
TOM HAGER	✓		
HARRY H. MCLANE	✓		
DARRYL MEYER	✓		
GENE THAYER	✓		
MIKE WALKER	✓		
CECIL WEEDING			✓
BOB WILLIAMS			✓

Each day attach to minutes.

STANDING COMMITTEE REPORT

MARCH 16, 1967

MR. PRESIDENT

We, your committee on.....BUSINESS AND INDUSTRY.....

having had under consideration.....HOUSE BILL..... No. 66.....

THIRD reading copy (BLUE)
color

PAVLOVICH (LYNCH)

LICENSING MANUFACTURERS AND DISTRIBUTORS OF VIDEO POKER MACHINES

Respectfully report as follows: That.....HOUSE BILL..... No. 66.....

BE CONCURRED IN

DO NOT PASS

DO NOT PASS

SENATOR ALLEN C. HOLSTAD, Chairman.